PROCEEDINGS

of

THE TRAVANCORE SRI MULAM ASSEMBLY

(OFFICIAL REPORT.) DATA ENTERED

SECOND ASSEMBLY.

ELEVENTH SESSION 1942/1117.

Friday, the 17th July 1942/1st Karkatakam 1117.

The Assembly met in Joint Session with the Sri Chitra State Council in the Legislative Chamber, Public Offices at 12-30 P. M. the President Sachivottama Sir C. P. Ramaswami Aiyar K. C. S. I., K. C. I. E., LL. D., Dewan of Travancore presiding.

PRESIDENT: Mr. Financial Secretary.

MR. A. LAKSHMINARAYANA AIYAR (*Financial Secretary to Government*):

Sir,

After this year's budget was presented to this House last year, fresh developments have taken place in the war situation. The war has come nearer to the shores of India and it may also be asserted that we are not far from the danger zone. There is in consequence a larger diminution of our overseas trade due to a practically complete lack of shipping facilities and import restrictions. The difficulty in getting materials and machinery for our productive capital works is becoming more acute. The transport facilities for our trade with the other parts of India and also for the import of food grains, which Travancore needs for her home consumption, have become lessened. There are however, some redeeming factors in the present situation. Unlike last year there is now a demand for cocoanut products and coir products with an increase in prices and the acute distress which prevailed among the working classes has, to some extent, been alleviated, due also to the receipt of war orders for our goods. The prices of our local produce such as pepper, ginger, cocoanut oil and rubber have gone up considerably. I am alluding to these factors in the general situation as a preface to my forecast, as they have a bearing on the estimates now being presented. This Budget may in fact be described as a War Budget, both as to the forecasts of receipts and expenditure. Before reviewing the financial prospect of the next year I shall as

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usual, deal briefly with the final accounts of the year 1116 which are now available and also with the Revised Estimates of this year, as to how they compare with the previous anticipations.

ACTUALS OF 1116.

2. In the Revised Estimates for 1116, we expected a total revenue of Rs 273·09 lakhs and a total revenue expenditure of Rs. 267·61 lakhs thereby expecting a revenue surplus of Rs 5·48 lakhs. But the actuals turned out better and stood at Rs 276·79 lakhs and Rs. 270·16 lakhs respectively, resulting in a surplus of Rs 6·63 lakhs. The increase of Rs 3·70 lakhs in revenue was mainly on account of the larger exports and imports under land customs during the latter part of the year than was originally anticipated.

3. On the expenditure side, there were increases under Forest (Rs 1·33 lakhs) due to payment of arrears of kolevila and under Miscellaneous Political Expenditure (Rs 1·89 lakhs) due to contribution for War purposes.

4. In the capital section, the capital expenditure less capital receipts was expected to result in a net drawal of Rs 35·02 lakhs. But the actuals amounted only to Rs 32·86 lakhs on account of the slow progress of our capital works due to the difficulty in obtaining materials from abroad, a difficulty which is still continuing and is affecting our works programme.

REVISED ESTIMATES FOR 1117.

5. I shall now proceed to a general consideration of the Revised Estimates for the current year.

The budget for the year anticipated a revenue of Rs 280·73 lakhs. But on the basis of the actuals so far available, the revenue is expected to mount up to Rs 301·41 lakhs, a peak point not reached so far in the history of the State, the figure being much higher than the revenues of any State in India save Hyderabad and Mysore alone. The details of all the variations are explained in the Memorandum, copies of which are placed on the table with the Budget Estimates for the ensuing year. In the present international situation with all its devastating effects of a far-reaching nature, this result will naturally be a surprise. In view of the possibilities of the adverse effects of the war on our finances, the estimates of revenue for the year were originally fixed on a very conservative basis. This, with the scrupulous care which the Government, under your able guidance and supervision, Sir, have always been exercising in husbanding the resources of the State, accounts for the marked improvement that is expected in our revenue position.

6. Betterment of revenue realisations is anticipated under almost all the principal heads of revenue. But the most conspicuous of these is our Customs Revenue, which is expected to exceed the budget figures by about Rs 7·3 lakhs. Honourable members will be gratified to be

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told that in spite of the crippling of our sea-borne trade, our customs revenue has soared to the above level. We are gaining in land customs more than what we are losing in sea customs. This is probably due to the adjustability of trade and is in the nature of a temporary phenomenon due to the war situation. Due allowance for this has been made in estimating the revenue for the next year.

7. The estimates are in no way high-pitched and they are well justified as explained below. The total revenue actually realised and brought to account in the first ten months of this year amounts to Rs. 228·64 lakhs. Adding to this, the realisations of Rs 72·71 lakhs in the last two months of the last year, the total comes to Rs. 301·35 lakhs, which is practically the same as our expectation, although the indications are that we can get more this year. I shall briefly refer to the salient features in the estimates.

8. Our share of receipts from the Port of Cochin has exceeded our expectations by about Rs. 7 lakhs. The revised estimate is based on information available with Government. Our Forest receipts are expected to show an increase of Rs 5·3 lakhs as a result of larger sales and increased price of timber. The extensive orders which you, Sir, have helped to procure from the Supplies Department of the Government of India have largely contributed to the betterment of our Forest revenue. Under 'Taxes on Income,' an increase of revenue to the extent of Rs 2 lakhs is expected, due mainly to the adequate enforcement of the provisions of the Income Tax Act and partly to the price boom which has benefited trade for the time being. The net receipts from the Travancore Section of the South Indian Railway, which were originally estimated only at Rs 1·5 lakhs is, as intimated by the Railway authorities, now expected to be Rs. 3·65 lakhs, which I may inform the House is the highest on record under this item. Besides meeting the interest on the capital raised by the Secretary of State for the Shencotta-Quilon Section and also interest at 4 per cent. on the capital invested by this Government on the Quilon-Trivandrum Section, there will still be a surplus profit of about Rs. 65,000 for this year. Besides this, credit for a sum of B. Rs. 1·2 lakhs has also been given to us in our Railway capital accounts on account of the value of certain ballast trucks taken over by the Government of India. 'Currency and Mint' shows an increase of Rs 3·31 lakhs over the revenue budgeted for, due to gain on coinage.

9. Though as already stated, an all round improvement is anticipated in our revenue position, we are not without reverses which it is hoped will be temporary, especially in respect of our capital schemes and commercial services. Fall in revenue is expected mainly under 'Electric schemes' (4·0) Clay Refining and Porcelain Factory (0·30) and the State Transport (0·86) lakhs.

10. The abnormal inflation of prices now ruling the markets and the considerable difficulties experienced in getting from abroad the machinery and the materials required for the current working, as well as for the further expansion of our commercial services, primarily

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account for the decrease in revenue expected under these heads. The fall in revenue under our Electric Schemes is also due to the fact that the proposed Aluminium Factory, on which we had reckoned for the sale of a substantial load of energy is expected to start work only in August or September next.

11. The mineral factories at Chavara which had largely contributed to the revenue under this item had also to restrict their output owing to war conditions. As the House has already noted, the deterioration of our revenue from our commercial services is expected to be more than compensated by the betterment of revenue anticipated under other heads, with the net result that our revenue at the end of the year is expected to be better than the budget anticipations by over Rs. 20 lakhs.

12. Turning to the expenditure side, the budget for the current year provided for a programme of expenditure charged to revenue of Rs 279·23 lakhs. Based on the progress of expenditure so far known and ascertained, the actual expenditure at the close of the year is expected to stand at only Rs. 277·08 lakhs. This is the net effect of savings in expenditure under some of the service heads as a result of the exercise of economy in all possible directions, set off by an increase of expenditure under the other items. The variations are marked in the case of Forests and the Army. Under Forests, the Budget Estimates of expenditure are expected to be exceeded by Rs. 2·25 lakhs on account of increased kolevila payments to be made and on account of more intensive operations in connection with the supply of timber to the Government of India. Under Army, a saving of Rs. 2·2 lakhs is expected due to the anticipated savings in expenditure under establishment charges and under the Emergency Reserve provided for in the budget, as also to the re-entertainment of pensioners for active service. This year also, we have not been slack in our contributions in aid of the success of the Allies in their strenuous fight against aggression. Including this year's contribution of B. Rs. 4 lakhs to the War Fund, our total monetary contribution to date stands at B. Rs. 15 lakhs. This sum does not take into account our contribution to the armed forces and in the matter of supplies etc.

13. Our expenditure on account of distress relief has also not been stinted. While continuing with unabated zeal the programme of relief measures in areas affected by unemployment, the Government have, in keeping with the time-honoured watch-ward of the Ruling Family of Travancore "Charity is Our House-hold Divinity" included in their revised estimates for the current year a special provision for alleviating the sufferings of the refugees, who have taken shelter within the bounds of the State.

14. As the net result of the several variations in revenue and expenditure between the Budget and the Revised Estimates, the current year is expected to close with a revenue surplus of Rs. 24·32 lakhs against that of Rs. 1·5 lakhs anticipated in the original estimates. This

revenue surplus of Rs. 24·32 lakhs is proposed to be ear-marked for transfer to the Revenue Reserve Fund which has already got. Rs. 8·9 lakhs at its credit. This reserve, as honourable members are aware, was constituted in 1112 to be drawn upon, if necessary, in lean years, when the revenue is not sufficient to meet the expenditure or when it is necessary to provide for any unforeseen contingencies or sudden changes in the tide of affairs which the Government may be called upon to face. In view of the uncertain conditions of the present international position and their possible repercussions on our future finances the necessity to draw upon this Reserve may arise at any time. The prices of our produce viz., copra, ginger, pepper, rubber tea and cardamom which stand at a very high level now may again fluctuate and fall, as prices fell down on the termination of the last war. It is therefore highly essential that we conserve special surpluses as a protection againt future depression when Government may have to forego revenue or incur large expenditure to relieve distress.

15. On the Capital side, the Revised Estimates of expenditure for the current year have been fixed at Rs 37·06 lakhs which is less than the budget anticipations by Rs 7·13 lakhs. This variation is the net result of increase of expenditure expected under some of the items, Ceramic Factory (0·59), Transport Scheme (0·27), etc., set off by decrease of expenditure under other items mainly due to the obstacles to the work consequent on the lack of shipping facilities for getting down from abroad the required materials and machinery. The decreases are mostly under Water Supply (0·86), Drainage (0·52), Pallivasal Hydro-Electric Scheme (2·31), Broadcasting (0·5), Telephone (0·25) and University Buildings (0·96).

Budget Estimates for 1118.

16. With these general observations on the Revised Estimates for the current year, I shall now pass on to the Budget Estimates for the ensuing year. As usual, the Budget for the next year has been framed on the assumption that conditions will continue to be more or less what they are now, due account being also taken of such changes as could be possibly foreseen. But although we are justified in budgeting for a revenue approximating to 3 crores, I have deliberately adopted a moderate scale so that we may be prepared for all contingencies and unexpected variations. The estimates so framed have been prepared on the expectation of a total revenue of Rs 290·22 lakhs and the programme of expenditure chargeable to the year's income has been fixed at Rs 285·13 lakhs, leaving a surplus of Rs 5·09 lakhs, especially in view of the not improbable fall in some of the chief items of revenue mainly customs, as a result of the constantly changing war situation.

17. Our share of the customs revenue from the Cochin Harbour is fixed at Rs 2 lakhs less than the current year's receipts. But it is not unlikely that the revenue budgeted for may not be realised in the

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present unsettled condition of our foreign trade. With a view to make up the deficiency, if any, in the revenue anticipations, without increasing the burden of taxation on the poor, it is proposed to increase the cess on rubber from B. Re 1 to B. Re 1-8-0 per cwt. from 1-1-1118. This industry has, of late, begun to pass through a period of notable prosperity and the probabilities are that owing to the world shortage of the commodity rubber producers are not likely to experience any losses in the immediate future. It is only fair moreover that the capitalist who enjoys the full benefits of the increase in the price of rubber should contribute a quota for the alleviation of the distressed. The increase in cess is expected to bring in an additional revenue of about Rs. 2 lakhs.

18. Another source from which the revenue could be increased in case of absolute necessity is the imposition of an export duty on timber. Formerly, timber of all kinds exported from the State was subjected to duty. But as the stock of timber was heavy and as there was only a very poor demand therefor within and out side the State, the export duty on timber was abolished in 1087 with a view to dispose of the large stock of timber and enhance the revenue. At present, there is a large demand for our timber from outside the State and Government are considering whether a duty may not be levied on the timber exported from the State if, during the next year itself, further developments in the present situation necessitate such a course.

19. The revenue anticipated for the incoming year is Rs 11·19 lakhs less than the revised estimate for the current year. This difference is the net results of lower estimates under almost all the principal items of revenue heads, off-set by increase anticipated under the commercial services. The fall in revenue is marked under Customs (2·72), Excise (0·77), Forest (1·56), Taxes on income (1·00), Currency and Mint (7·86) and Buildings communications and Miscellaneous Public Improvements (3·4), while increase of revenue are conspicuous under Electric Schemes (5·7), Water Supply and Drainage Schemes (0·85), State Transport Scheme (0·98) and Clay Refining and Porcelain Factory (0·5). Under Customs, the receipts from the Port of Cochin for the next year have been fixed at a lower figure than in the revised estimates for the current year for the reason that shipping difficulties may possibly increase. The estimates under the other items have also been fixed on a conservative basis. The compensating increase under Land customs this year cannot be entirely relied upon for the next year, as that may be only in the nature of a temporary phenomenon. Less consumption of tobacco, opium and ganja accounts for the lower revenue anticipated for the next year under Excise. The decrease expected under Forest revenue is due to the probability of the demand for our forest timber becoming less. Under taxes on Income, the fall in revenue is anticipated under Super-tax, in fixing the estimates for

which due margin has been allowed for the effects of war on large scale trade and big industries. The receipts in the current year under Currency and Mint are special, due to fresh coinage of silver and no receipts are therefore expected next year. The decrease of revenue anticipated under Buildings, Communications and Miscellaneous Public Improvements is mostly under Tolls on roads and bridges mainly due to limited motor traffic on account of the rationing of petrol. On the other side, the betterment of revenue expected under Electrical schemes is accounted for by the fact that the Aluminium Factory which is expected to start work soon and the Government of Cochin will both come in for their full load of energy early next year. Under Water Supply and Drainage schemes, the anticipated increase represents the increased contribution payable by the Municipal Corporation of Trivandrum. The expected increase of net-receipts from the State Transport Scheme is mainly the result of the reduction in operating expenses. A slight increase of revenue is also anticipated from the Clay Refining and Porcelain Factory due to expectations of larger production.

20. Turning to the expenditure side, the programme of expenditure during the next year covers a budget provision of Rs. 285·13 lakhs, which is Rs. 8·04 lakhs in excess of the Revised Estimates for the current year. This small increase, honourable members will readily concede, is invitable in order to maintain the steady development of a progressive administration and is also due to the increase in prices all round. The programme of expenditure for the various departments has been carefully scrutinised by the Government as well as the Standing Finance Committee of the Legislature and in fixing the allotments the essential requirements of an efficient administration on the one hand and on the other, the need for the due exercise of economy especially at the present time, have both been kept in view, side by side. I shall now proceed to make a brief survey of the more important aspects of the next year's programme of expenditure.

21. *Forests.* The Department is proposed to be reorganised with a view to tapping new sources of revenue and to effect economy in the present administration without prejudicially affecting efficiency. A territorial redistribution of jurisdiction aiming at the reduction of the existing number of Forest divisions is also in contemplation. This accounts for the small reduction in next year's expenditure on this department, as compared with the Revised Estimates of expenditure for the current year.

22. *Public Service Department.* The Public Service Department, which was organised in 1110 had been functioning all these years only on a temporary basis. The work of the department having been carefully reviewed, the Government are satisfied of the continued usefulness of the department and it is therefore proposed to make the department permanent from 1st Chingom 1118.

23. *Education.* As usual, a liberal provision has been made for expenditure on Education. While on the Education budget, I may

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perhaps refer to a recent activity of the Research Department of the Travancore University. To overcome the increasing difficulty experienced in getting Formic acid and Acetic acid which were formerly imported and used as coagulants in the production of rubber in the estates, Sulpholex, an ersatz material prepared according to the formula developed by the Central Research Institute has been marketed by the Travancore Sugars and Chemicals Ltd. This has supplied a vital necessity without which the Rubber Industry may have suffered serious lost. The Research Department of the University has been very efficiently continuing its other activities also.

24. *Industries.* In order to meet enquiries relating to machines and equipments for small scale industries and also to assist in the growth and development of many new industries in the State, especially those of small scale as also advanced cottage industries, it is proposed to open an industrial machinery show-room. Various engineering firms and inventors of labour saving devices for cottage and other industries will be invited to display specimens of their machinery in that show-room.

25. *Agriculture.* As the most vital need of the country at the present moment is the increased production of food-stuffs, the department has organised in co-operation with the Public Works and the Electrical departments a vigorous campaign for the extension of the area under cultivation of different food crops, the extension of punja cultivation and the application of scientific manures to the areas already brought under the plough to secure larger yields. Sixteen manure depots have been opened in different centres for the sale of suitable manure mixtures for paddy and tapioca to ryots on the security of their crops.

26. *Medical.* The Medical department is at present the only major department of the State which is completely centralized in its administration with no District officers for any intermediate supervision or control. Provision has therefore been made in the next year's budget for a scheme for the better and more efficient administration of the department on a decentralised basis by the appointment of a few District Officers. There is also a liberal provision in the Budget for the opening of new dispensaries to cater to the needs of the labouring classes at Kallar and Kalaketty and for providing better amenities in the existing medical institutions, such as the construction of up-to-date Sanitary arrangements in the Sachivottama Sir C. P. Ramaswami Aiyar Memorial Ward attached to the District Hospital, Quilon, and purchase of equipments for the new block of the Ophthalmic Hospital at Trivandrum.

27. *Public Health.* The House may not be unaware that the maternity and child welfare service started in ten rural centres in 1113 as an experimental measure in the first instance having proved itself very useful to the public was made a permanent arrangement

from the commencement of this year. Since then, various applications have been received for the extension of the service to other centres also. This being a much needed service, Government have decided to open ten more rural centres of maternity and child welfare service. Further, with a view to encourage private enterprise in these matters, especially when such enterprises are readily forthcoming, it is proposed to subsidise a few village unions which have undertaken to take up this all important and much needed service.

28. *Co-operative.* The condition of the co-operative movement in the State had for some time past been receiving the serious attention of Government. They therefore appointed an Advisory Committee to assist the Registrar of Co-operative Societies in drawing up a scheme for the rehabilitation of the movement. The most important of the recommendations of the Committee is for the reconstruction of the financing banks, the chief of which is the apex financing institution, *viz.* the Central Co-operative Bank Ltd., Trivandrum. An examination of the financial position of the Central Bank, the Taluk Banks and the primary societies has disclosed that the cardinal defect is not that they are in any way financially unsound, but that their assets are in a frozen condition. A substantial assistance to the Central Bank for the purpose of granting loans on easy terms to some good societies so that they may be put on a sound footing and serve as a model and stimulus to others has been recommended by the Advisory Committee. Government accept the recommendation and propose to advance to the Central Bank a loan of Rs. 1 lakh on the security of the assets of the movement. Government hope and trust that the financial assistance so rendered will be made good use of by the movement to set itself once again on a firm and strong basis.

29. *Uplift of Backward Communities.* The main items of uplift work proposed for the next year comprise assignment of land for house sites and cultivation, the establishment and maintenance of colonies, the award of educational facilities and concessions, the promotion of cottage industries etc. An increased provision is made in the next year to afford better help to these communities.

30. *Currency and Mint.* The minting and issue of a fresh stock of copper coins to meet the growing demand from the public for these coins is provided for in the next year's budget.

31. *Miscellaneous.* In view of the general increase in the price of commodities including even the barest necessaries of life, a special provision of Rs. 2 lakhs has been made in the budget under Miscellaneous Expenditure for the grant of a dearness allowance of Re. 1 per mensem to the low-paid subordinates in the service of the State drawing a pay less than Rs 15.

Besides the provision of Rs. 1 lakh for investment, an additional provision of Rs 1 lakh has also been made for expenditure on relief of distress.

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CAPITAL EXPENDITURE.

32. The next year's programme of capital expenditure includes a provision of Rs 30·29 lakhs which is less than the Revised Estimates for the current year by Rs 6·77 lakhs. The difficulty in obtaining the machinery and the materials required for the working and the expansion of our capital schemes and also the necessity to keep the expenditure at a low level are the considerations for the smaller provision proposed for the next year, as compared with the Revised Estimates. The details of the works are mentioned in the Budget Memorandum and I shall only make a passing mention of the more important items.

33. *Commercial Transport.* Including the capital outlay of Rs 14,000 proposed for this scheme for the ensuing year, the aggregate capital outlay on the scheme at the end of the year is expected to stand at Rs 12·03 lakhs A net return of Rs 1·64 lakhs on the investment after providing for depreciation etc., is expected to be realised this year, while the return for the next year is anticipated to stand at Rs 2·62 lakhs. The department has been only temporary since its organisation in 1113. The working of the department as seen from the Government accounts has resulted in a net loss in all the past years except during 1113, the year of its commencement. The accounts maintained by the Department have however shown net profits during all these years. The difference is due to the fact that the Government accounts are kept on a cash basis while the departmental accounts are kept on a commercial basis. Even according to the Government accounts the profits up to the end of the current year, excluding interest charges are expected to stand at about Rs 3·14 lakhs which may be considered sufficient to cover a reasonable rate of interest on the Government investment of Rs 10·71 lakhs in the scheme as at the end of 1116. As the department has thus become self-supporting, it is proposed to make it permanent from 1st Chingom 1118. Arrangements have also been made for the accounts of the Scheme as maintained on the commercial accounting system being, in future, reconciled with the accounts as recorded in the State Ledgers and for exhibiting the result on a pro-forma basis in the Appropriation accounts of the State.

34. *Clay Refining and Porcelain Factory.* A provision of Rs 1 lakh has been made in the budget for the capital expenditure on this concern. The net receipts from the Factory for the current year are expected to be Rs 1·5 lakhs and that for the next year to be Rs 2 lakhs.

35. *Electric Schemes.* The capital outlay on our Electrical undertakings at the end of this year is expected to stand at Rs 190·63 lakhs, which with the proposed outlay of Rs 20·05 lakhs for the next year for the dam works at Kundale (10·0) and for other works in progress, will

make the total investment on these schemes at the close of the next year stand at Rs 210·68 lakhs. The Revised Estimate of receipts from these schemes for the current year is Rs 3·16 lakhs and the Budget Estimate for the next year, Rs 8·86 lakhs.

36. I shall now turn to a review of the Debt position and Ways and Means for the current year and the next.

Debt Position.

A statement of assets and liabilities is furnished on pages 12 and 13 of the Budget Estimates. It will be seen therefrom that our liabilities at the close of 1118 including the balances at the credit of some of the Funds such as General Reserve Fund, Revenue Reserve Fund etc., which are not repayable aggregate to Rs 697 lakhs. On the asset side, our outlay on productive schemes is also included as they are real assets and were treated as such till 1115, though accounted for in subsequent years under Capital expenditure not charged to revenue. Against the above liability the total assets amount to Rs 763 lakhs which is Rs 66 lakhs in excess of the liabilities. It may, however, be mentioned here that the above assets do not include the outlay on the Kodayar Project Scheme and on non-productive schemes. If these are also taken into account, the total assets would exceed the liabilities by more than 2 crores. Our debt position may therefore be considered as satisfactory.

Ways and Means.

37. The final accounts of 1116 have resulted in an opening cash balance of Rs 54·25 lakhs for 1117 with short term deposits in Banks to the extent of Rs 30·54 lakhs. We have discharged this year the 5 per cent loan of 1091 to the extent of Rs 14·34 lakhs from our cash balances and a small portion of this loan to the extent of Rs 41,000 only have not yet been presented for discharge. We had a sinking fund of Rs 14·75 lakhs invested in gilt-edged securities for redeeming this loan. But in view of our strong cash position there was no necessity to use this investment for the discharge of the loan. This investment has therefore been transferred to the credit of the General Reserve Fund. Including the receipt of about Rs 5 lakhs from a short-term deposit, the transactions during the year under Revenue, Capital and Debt Heads, will result in a net receipt of Rs 16·33 lakhs due to increase in Savings Bank Deposit and other Debt Head receipts and also on account of the slow progress of capital works. The year is therefore expected to close with a cash balance of Rs 70·58 lakhs and the short-term deposits will amount to Rs 25·45 lakhs. The result of the several transactions during the next year is also estimated to be a net receipt amounting to Rs 15·54 lakhs. It is therefore proposed to invest a further sum of Rs 25 lakhs in short-term deposits in Banks, a cash balance of Rs 60 lakhs being more than sufficient to conduct the day to day transactions of Government. We will thus have at the end of next year a cash balance of more than Rs 60 lakhs, short-term deposits

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in Banks to the extent of Rs 50·45 lakhs besides other safe and fluid investments amounting to more than 2 crores of rupees. The cash position will therefore be as strong as ever and there will be no necessity to resort to any borrowing during the current year or the next.

CONCLUSION.

38. Sir, I have attempted to explain to the House in as brief a manner as possible, the financial position of the State in general and with particular reference to the transactions of the year that is going out and the one that is coming in. The current year as well as the ensuing year are both expected to close with a surplus. These results, particularly gratifying at this time of universal stress and strain, are expected to be attained not by starving the normal requirements of a progressive administration or crippling the usual measures of amelioration in relief of distress, but by the careful conservation of our resources without imposing on the poor ryot the burden of any new taxation and the exercise of due economy in all possible directions without impairing efficiency. Even in the midst of the threats of war, the Government have not stinted in the allotments provided for the various departments, Nation building, Development, as well as Socio-economic. It cannot certainly be said that we are quite removed from the dangers of war and its repercussions. But thanks, Sir, to your drive and inspiring personality, never-failing resourcefulness and unlimited sympathy, you have, by your guidance and direction, made it possible for us to hold our heads above water. Our revenues are progressive and our cash balances sufficient to meet our demands. Our debt and other obligations are not much and even for these there is more than ample provision to meet possible demands.

Let me conclude with the sincere hope and prayer that the State of Travancore blessed with a Maharaja, young in years, but old in wisdom, and wholly devoted to the interests of His subjects may grow from strength to strength. May I also take this occasion to express my indebtedness to the Dewan, a Minister of tried experience and versatility, a stranger to the country by birth and nationality, but more than a Travancorean by adoption and sympathies, for his able guidance but for which my task would not have been so easy.

PRESIDENT: Order, order. The House will now adjourn and meet again at 2·30 P. M.

The House adjourned at 1.5 P. M. and re-assembled at 2·30 P. M. with the Dewan-President in the Chair. Lieut. Col. G. P. Murphy, Resident for the Madras States, Mr. B. M. Bacon, Officer on special duty in the Madras States Agency, and Mrs. Bacon were present and seated on the dais.

PRESIDENT:

Fellow-Members of the Travancore Legislature,

I owe two explanations to this honourable House. The first of those explanations arises out of a promise that I made not so very long ago that I shall address this Legislature in the Malayalam language. Indeed, I had made preparations for essaying my task in that language and I should have been ready to fulfil my promise in letter and in spirit. But, as to-day I am addressing you on a very critical and important occasion and making a few remarks which may be listened to outside this State, I thought it better rather than to allow my speech to be read and commented on in translations, I should speak in a language which might be understood throughout this sub-continent. That is my extenuation.

Secondly, I have to offer an explanation about what may perhaps be called a breach of an undertaking that I had given to the assembled Houses. It was that so long as I was able and willing to do any public work, that work would be dedicated to the service of His Highness and the State of Travancore. It might well be asked how after having made that statement I am about to leave this State, I hope, for a short period. I think it is due to the House and to the State that I explain the position. It is not in a spirit of vain glory that I say that the task entrusted to me by His Excellency the Viceroy was not of my seeking. When His Excellency the Viceroy asked His Highness the Maharaja to spare my services during this period of emergency and crisis, and purely and specifically during that period, the whole matter was considered in all its aspects. Having regard to that emergency and the nature of the call, it became impossible to say "No" to what was not an ordinary invitation in normal times under normal conditions. After the emergency passes which I trust will be soon, I hope and expect to resume my work here at the pleasure of His Highness. I may add that all the arrangements are being made on that basis.

In this connection I wish to refer to wholly unfounded press reports suggesting the likelihood of the appointment of some Indian or European I. C. S., Officer in my place. My friend Mr. Bacon's name was also mentioned in this connection. It has also been stated that various other arrangements are being contemplated. All that I can say at present is that in a very intelligent country like Travancore, rumours are a little more apt to circulate needlessly than in other places. I, therefore, content myself by repeating what I have already said that it is my firm hope and expectation that when the emergency is over, I shall return to labour amongst you and that during the period of my absence local arrangements will be made.

Fellow Members of the Legislature, I cannot do better than to quote a broadcast speech made last evening by his Royal Highness, the Duke of Gloucester.

> "The unity of India is a necessity. It seems to me" said His Royal Highness, "that already there are strong influences at work breaking down the barriers of division, emphasising the fundamental unity of India."

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At no time in the history of this country, at no time in the History of the world, was that outer and inner unity, unified effort, unified endeavour, unified aspiration, and consolidated energies devoted to great ends more needed, more a desideratum, than at present.

I have perused and re-perused the resolutions arrived at Wardha under the inspiration and stimulus of that very great man, Mahatma Gandhi. I do not think I can say anything else than this, that I have failed to follow or understand those resolutions. I have not understood, for instance, a subsequent statement attributed to the Mahatma, namely, that he is prepared to leave India to anarchy or to God. I feel certain practical difficulties in leaving India to anarchy. Devoted as we are in this country to the things of the spirit, wholly dedicated to the service of Sri Padmanabha as the Sovereign in this country is and as many of us are—it is still difficult to leave things adrift trusting in Providence while being conscious of the possibility, nay, the certainty of anarchy. Surely it ought not to be beyond the wit of man, the trained intelligence and true patriotism of England and India and the leaders of the Hindu, Muslim, Sikh, Parsi and European communities to come together and arrive at a settlement—a settlement which many of us confidently hoped would be the result of the visit of Sir Stafford Cripps. That result has not been achieved. Very few great and supreme tasks are achieved in one stride or at one stroke. But if at Delhi I can help the task of unification in any manner taking advantage of the circumstance that I have not only been a member of the Congress myself, but also a non-official member of every type of Legislature in India and in addition the official leader of every kind of Legislature in the country —if, with the background of these circumstances or accidents, it becomes possible for me to try and bring all the apparently conflicting elements together and to help His Excellency the Viceroy and my honourable colleagues to arrive at an agreed course of action, I shall be thankful to Providence. For I believe that only thus in the great struggle that confronts the world, India will prove worthy of herself, worthy not only of her past traditions but also of the future of which undoubtedly she is bound to be the heiress, a future wherein she will be a preponderant element in a great commonwealth designed and destined for great ends. If, in such a task, I can participate and render some service I shall count myself privileged. If I succeed in that task, I shall have done my work and return content. If I fail in that task I shall have failed in what I consider to be my main work and shall resume my work amongst you feeling that I have done my best.

Members of the Legislature, the present is a war budget, essentially a war budget but also, due to various circumstances, a prosperity budget. Before entering upon the details of that budget it is my very pleasant duty and privilege to felicitate the Financial

Secretary upon the commendably brief but illuminating and informative statement which he has placed before the combined Houses. It is my duty however to enlarge upon here and there so as to place before you the immediate past history and also to outline the policy for the immediate future.

It is significant that in the year 1113, which was my first year of the budget, the revenue of the State was Rs. 249 lakhs and the expenditure was Rs. 251 lakhs; in 1114 the revenue was Rs. 254 lakhs and the expenditure Rs. 256 lakhs; in 1115 the revenue was Rs. 267 lakhs and the expenditure Rs. 268 lakhs; in 1116 the revenue was Rs. 277 lakhs and the expenditure Rs. 270 lakhs; and in 1117 according to the present Revised Estimate the revenue is Rs. 301 lakhs and the expenditure Rs. 277 lakhs. Therefore, this State has now got a revenue of over Rs. 3 crores and excepting Hyderabad and Mysore there are no States in India which come anywhere near the revenue and expenditure of this State. There is an estimated revenue surplus of over Rs. 24 lakhs against that of Rs. 1·5 lakhs anticipated in the original estimate. This revenue surplus is proposed to be earmarked for transfer to the Revenue Reserve Fund which has already got Rs. 8·9 lakhs to its credit. Compared with Kashmir Rs. 278 lakhs, Baroda Rs. 272 lakhs and Gwalior about Rs. 260 lakhs, these figures are far ahead. But with a conservatism which at this juncture in the world's history can't but be commended, the Financial Secretary has deliberately and moderately estimated for the next year's budget a revenue of Rs. 290 lakhs and a surplus of Rs 5 lakhs. These are the general features of the Budget. To reiterate, we have been able, notwithstanding the war, to budget for a record revenue of three crores towards the Revised Estimates for this year and for a possible revenue of Rs. 290 lakhs for the next year. But he would be a rash man, he would be a foolish man, who would proceed on the footing that the conditions of to-day will obtain tomorrow and that new cataclysmal changes may not be forthcoming in regard to many matters which we now take for granted. And therefore it is that the Financial Secretary has set aside a very large sum as revenue reserves. The anticipations of to-day regarding the customs revenue and excise revenue may not be fulfilled tomorrow or the next year.

We have, thanks to the ready response and the munificent generosity of His Highness, taken our share in the war efforts. There is nobody in the State but does not realise the position of the State at this juncture. Let it not be forgotten that Travancore is a maritime State. Let it not be forgotten that Travancore is adjacent to Ceylon one of the gateways of the world, a gateway opening from the East to the West and from the West to the East. Let it not be forgotten that danger threatens us not only from the East as some of us thought some time ago, and that in spite of the heroic exertions of the great Russian forces danger is coming nearer also to the West. What then can a State like Travancore do? It

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can place its resources at the disposal of those who are fighting this great fight. It has done so. It has done so not only by monetary contribution. It has also done its bit in the matter of recruiting not only to the armed forces but to the technical services. It has done its bit in the matter of supplies. But for a moment I would ask you to bear with me when I emphasise, re-emphasise and reiterate that the things that matters most all over the world and not least to us is the question of keeping up our spirits, of being courageous, of keeping up the morale. That the battles and catastrophies that have enveloped the world, especially in the eastern hemisphere, have been due to the fact that for various reasons, into which it is needless now to enter, the morale of the ordinary population was either non-existent or gave way at the last moment. Let it not be said of Travancore that it flinched, that its spirits failed, that in the face of peril it cowered. When I appealed to the people of Travancore that not one person should be evacuated or run away from where he is and that each family should make up its mind to die if there is no other choice at the place where it is living rather than flee to a place that may not be more secure, the response was magnificent, and I hope that the example of Travancore will be followed elsewhere so that we shall not see the spectacle of people running like hares not even when the hound is in sight but because the hound might come in sight 12 months later.

In this connection it is necessary to point out one unpleasant feature. There are in this State as there are in all parts of India unquiet, turbulent and mischievous elements on the lookout to create trouble, to fish in troubled waters. If to-day it is fashionable to call themselves pro-Soviet they do so in order to avoid risks. It pays them to do so. If tomorrow it is fashionable to call themselves anti-Jap they do so. But they do exactly the same thing which they did before they called themselves pro-Soviet or anti-Jap. To point out an instance, there are two men, one man called Elango and another called Jeevanandam whom Madras did not want, and who were expelled from there. They were Travancoreans. They came here. From that moment they began to hold meetings, no doubt in favour of Russia, no doubt, against Japan, but always denouncing the British Government, the Government of India and the Government of Travancore. The Travancore Government has only two who may by any stretch of language be called politicals. This is the kind of speech these people deliver. "Among the detenues in Vellore Jail there are persons who are very thin and emaciated, striking terror in the heart of the British Government, a Government which is also expert in making withdrawals in the war according to plan: it is opined that there would require two or three world's space more to effect a complete withdrawal if the enemy approaches very near India." This is the speech made by the anti-Jap pro-Soviet Elango and Jeevanandam, for the purpose of infusing courage in the people and for the purpose of

fighting this battle which according to them this Government will not help Elango and Jeevanandam to fight. I am glad to say that both Elango and Jeevanandam have now been asked to stay in their own villages. They are not detained within the jails, but they have been detained in their own villages on pain of being arrested if they move from that place. I hope they will have a comfortable stay where they are. There is another man called Karunakaran from Alleppey, a labourite, international labourite, pro-Soviet, anti-Jap and anti-imperialist, desirous of fighting, impatient that he is not sent to the battle front so that his courage and heroism may be exhibited! His speech is as follows: "What can this Government do against Japan? The Travancore Government, that is Sir C. P's. Government would not tolerate the establishment of a national Government here with Pattom Thanu Pillai, G. Ramachandran and C. Kesavan as leaders while he is administering the State as Dewan. When Japanese conquer Travancore, it is not the wife and daughters of Sir C. P. who would be prostituted by them but it would be the ladies in Travancore." This is the main contribution of this pro-Soviet, anti-Jap, anti-revolutionary and bellicose Karunakaran to the war effort.

Now, I wish to make this perfectly clear. Whatever camouflage these mischief mongers adopt, if they continue such activities which are continuations of their old tactics their offences will not be regarded as wiped out by reason of the fact that they adopt a convenient label for themselves. This is both a lesson and a warning and I mean it as such. Of course one does not mind personal attacks. A paper called *Arunodayam* says that after angling for the Viceroy's Council membership I am going unwept, unhonoured and unsung, and that I said I would not even accept a party, because I may not get one. This paper is published by the Youth Christian Council of Action. I grant that the paper is entitled to its own opinion against me. And it is perfectly within its right to say that I should be sent out forthwith from the State. This is its own private opinion. But the speeches which I have referred to are of a different character. They are not solely personal. They are calculated deliberately to undermine the morale of the people. They are deliberately intended to spread terror and fright in the minds of the people to make a hiatus or a gap between the Government efforts and popular efforts and to make it difficult for Government to summon people to joint endeavour. Government will have little sympathy with such people and will give them no quarter whatever.

Now, turning to the war efforts, I am glad to inform the Honourable House that after the formation of the Central War Recruitment Committee in Travancore, the number of applications received for commissioned officers for Air, Land and Naval Forces is 1,125, and about 150 have been selected. Selection to the ranks in the several fighting Forces by the Assistant Recruiting Officer during the last 6 months number over 4,900 besides 10,000 men already recruited before. So far as training centres are concerned the P. W. D. Work-

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shops and State Transport Workshops have given our quota. We have recently sent labour units for making roads between India and China. The War Technician Scheme is also well known as a part of the general war effort and large numbers of young men are undergoing training as war technician. Honourable Members would have already noticed that the scope of recruitment to the Army has been recently widened. All people in the State have now become entitled to be recruited to the Army. It is not confined to any particular community.

With regard to the A. R. P. organisation, a certain amount of work has been done. But I must answer some criticisms that have appeared in some local and some outside papers in regard to this matter. Let us view the position of Travancore from the point of view of the intending enemy. I have pointed out more than once that there are no big munition centres here, that there are no productions of armaments and that at the present moment there is nothing to attract a grasping enemy. But that does not mean that we are free from danger so long as we are so near Ceylon and so long as we are on the way from Ceylon to Cochin and to Bombay. But the danger that we undoubtedly have is minimised and is qualified by the circumstance that a large portion of the country is hilly and a very large proportion of the inhabitants is dispersed throughout the country, each person living in his own garden. The effect of a bomb and the usual tactics employed by the Japanese and the Germans is not therefore likely to be so calamitous as elsewhere. But nevertheless, we have taken steps, which have been set out in the press, in order to deal with this matter and our Air Raid Precautions are proceeding fairly satisfactorily. I cannot say that we have got all that we need. We need appliances, we need fire fighting appliances. I may inform this Honourable House that quite recently we have had visits from the officer of the Government of India who have promised us considerable co-operation and assistance in this respect.

In this connection I cannot omit to mention the aid given to the evacuees. A large number of Travancoreans, a very large number indeed, have come here in utter penury and distress from Malaya, Burma and many other places in the Far East. We have given them very many concessions, educational and otherwise, and we are also trying to recruit some of them into our services. But I want to inform them that we are not likely to give them much assistance in the way of appointments to offices. I think I must have received over 2,000 applications for appointments to offices in Travancore, applications sent by Travancoreans who have lost their everything and who are fully qualified by their previous experience to be appointed here. But naturally in an highly educated State like this with unemployment amongst the educated community being as comprehensive and widespread as here, we cannot give them much assistance. It is only experts, those who have specialised in their jobs that can be appointed

here. Lest there be any disappointment or false hopes being given, I wish to say so publicly now. But without giving appointments there are many ways in which the evacuees can be helped, by monetary help in the case of absolute destitutes and by other means; and by every one of these means this Government is trying to do what it can.

At one time the situation in the coir industry appeared to be catastrophic and large numbers of people were thrown out of employment in the coir factories in Chirayinkil, Shertala, Alleppey and many other places. I must at this moment pay my tribute to Brigadier General Wood and the members of the Government of India, the Commerce and Supply members especially, who came to our assistance at that time. They gave us fairly large orders. To Col. Murphy's unstinted, unwearied, and continuous helpfulness I must pay a tribute of admiration and gratitude. He has been of great assistance to us in pressing the case before the Government of India. It is a matter of singular satisfaction to me that a man so sympathetic, so well acquainted with the condition of Travancore and so fully conversant with the policy of the Government of Travancore will be here during my temporary absence. Thanks to the efforts of the Resident and thanks to the helpfulness of the Government of India, where there was starvation there was at least a partial measure of relief. That was not enough. We had to open relief works in Vaikom, Quilon, Shertala and Alleppey. But even that was not enough. I am glad to say that just now the tide is beginning to turn. Thanks to the world shortage of rubber and thanks also to the circumstance that Travancore is one of the few countries which produce rubber, our rubber is selling well. Our cocoanut oil and our copra are selling better than before. Our ginger and pepper are getting good markets. Many of our monopoly products which were really driven to great straits by competition from elsewhere have regained their former status in the markets of the world. The result has been a repercussion in the way of fairly general prosperity in the localities I have referred to. Moreover steps are already under way, steps are under contemplation by which a very much larger use of coir fibre may be made possible for various purposes in connection with the war. This Government have had conversations with the representatives of the Government of India. Experiments are in progress and will be made for the purpose of seeing whether coir properly treated and properly worked cannot be used for boots and shoes for the army. If that experiment is successful, the coir industry is absolutely secure. Let us hope that the experiment will be successful, and that the results will be accepted by the authorities.

It is not only the loss of the markets to which we were accustomed, it is not only the unemployment that was a concomitant of the loss of markets from which Travancore suffered. The real difficulty of Travancore was in the matter of food production. We were mporting 286,000 tons of rice from outside the State almost entirely rom Burma and Siam. Travancore and Cochin depended for their

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main supply on Burma and Siam. Therefore when Burma and Siam became unavailable, the position was well nigh desperate. In Travancore, within a few weeks after the out-break of the war, the fixation of maximum price of rice was introduced. It worked well. We suffered some loss at the start. But that amount was more than made up afterwards. *Unfortunately* however, and I underline and re-emphasise that expression "unfortunately", our neighbours did not start any measure for the control of rice until recently. The result of it was that our control of rice was really haphazard, fragmentary and tentative. The Government of Madras awoke to the situation a few weeks ago and made up its mind to establish rice control, but has not made up its mind to fix maximum prices. In this connection, my tribute is due to Mr. Dixon, the Dewan of Cochin. Not only in this matter, but in every other matter in which Travancore and Cochin have had contacts, he has been of the utmost possible help and assistance and I must give my meed of praise to Mr. Dixon for the readiness with which he arrived at the understanding which now governs this matter. As there is considerable apprehension and as every day I am receiving people who come to me apparently panic-stricken and some one says that somebody in some corner is selling rice at Rs. 17 although the Government has fixed the price at Rs. 14, in order to remove the misconception of those people let me outline the rice policy of this State. It has now been decided with the consultation and co-ordination of the Madras Government, the Cochin Government and the Travancore Government that three fifths of the total supply of rice that is needed for the area—I am giving approximate figures—should be supplied to Travancore and Cochin from Tanjore District and certain other specified localities in the Northern Circars. Instead of wrangling amongst ourselves as to who should get more and as to who should get less, Cochin and Travancore have now decided in unison and in harmony upon working together this great experiment of food supply to the States of Travancore and Cochin. We shall act as one unit. Travancore and Cochin are jointly appointing their representatives in the Northern Circars and in Tanjore in order that those representatives might get into touch with the wholesale producers and distributors in Tanjore and the Northern Circars respectively. They will put themselves into touch with the wholesale merchants here so that the rice might be purchased and arrangements might be made for transport. The difficulty of getting rice is not so great as the difficulty of transporting that rice by railway to Cochin, Trivandrum or Quilon. And therefore it is that Travancore and Cochin have jointly determined that they shall not quarrel about waggons. If waggons are available in the broad-gauge lines all the rice will be brought to the broad-gauge centre and if waggons are available on the narrow-gauge lines then the rice will be brought to the narrow-gauge centre. If there is any deficiency in Travancore, Cochin will supply and if there is any deficiency in Cochin,

Travancore will supply. That is the principle on which we are working and I am glad to say, although I do not wish to go into details just now that three results are certain. There is going to be absolutely no shortage of the supply of rice to Travancore or to Cochin in the near future. When I say that, of course, I leave out of account anything like the break-down of the transport machinery. Even then we are ready and we have told that the help of the Transport Department will be available working night and day by shifts. Even if petrol is not available, we can use transport vehicles run in charcoal gas to get rice for the joint benefit of the two States. That is the principle. At the same time, the Governments of Travancore and Cochin have likewise made up their minds that they will not act as buyers and sellers themselves. They will put themselves in touch with the wholesale merchants. They will give the wholesale merchants a certain amount of profit. I am saying this so that the wholesale merchants may hear it and so that they may derive full comfort and perhaps a warning from what I am going to say. The idea of the Governments of Travancore and Cochin is that the prices will be settled at Tanjore or the Northern Circars, as the case may be, and that prices will be settled necessarily on an All-India basis. It may be that the prices may go a little bit higher because there is a certain amount of rise in the price of rice in the whole of India and rightly or wrongly circumstances have forced India to supply Ceylon in addition to Indian requirements. So the Madras Presidency has to supply Ceylon, Travancore and Cochin Governments and a certain rise in the price is inevitable. There is no use of saying that the price of rice yesterday was Rs. 13 and that today it is Rs. 14. This price will have to be fixed on an All-India basis. The moment the price is fixed and the representatives of Travancore and Cochin have done their duty in the matter of fixation of prices, the transport charges will be added and a certain amount, a reasonable amount, of profit will be allowed to the wholesale dealer. But if the wholesale merchant hoards his stock, if the wholesale merchant creates rise in prices, if he clandestinely alters the rates which the Government have fixed, his stock will be taken control of by Government and penalties including and up to confiscation are open to this Government and I can say that they will not flinch from exercising such powers. In other words, a man who has decided upon getting a legitimate profit in the pursuit of a legitimate avocation will not be interfered with but all facilities would be given to him. To the hoarder and to the profiteer the warning is clear and must be heeded.

The next difficult question is the question of yarn. Next to food comes the question of clothing. From the beginning and practically from the inception of war the Travancore Government controlled yarn. The result has been that we have never had any high price for yarn here. Fortunately, Government decided to buy yarn and stock it. Very early we have been able to prevent racketeering and profiteering. I am glad to say that inclusive of the ordered yarn the stock available to us is quite sufficient for the needs of the State. In this connection I must not omit to utter a word of thankful-

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ness for the co-operation evinced by Mr. Doak of the Harvey Mills at Madura. Without his continuous support, without his desire to help the poor man of Travancore and without his jettisoning his own ideas as master of industries this result would not have been achieved. And I may say that Mr. Doak deserves all praise for coming to our help at a very difficult juncture.

It may be interesting to realise that 25,000 hand-looms and over 200 retail merchants besides the wholesale dealers are engaged in yarn trade. For some time there was considerable shortage of yarn in the country and the prevailing rates both inside and outside the State were prohibitive. The Government stepped in and purchased yarn for the value of nearly Rs. 8·2 lakhs. They fixed a price which is considered reasonable under the present circumstances. The yarn so controlled by Government was distributed on a system of rationing and the needs and requirements of the weaving population were met on a reasonable scale. There was, however, an interval when the price of yarn fell far below the controlled rates and large quantities of yarn came into the State. The Government, however, maintained their stock and made forward purchases in order to meet the requirements of the present Onam season. The price of yarn has again gone up very high in British India and the result is that the Travancore Government have been obliged to revise the price fixed by them although even the revised price is advantageous to people of this State when compared with prices elsewhere. Fortunately, there is sufficient yarn to meet all reasonable demands of the population during the Onam season and it is hoped that with the control measures introduced in British India in regard to yarn the prices will adjust themselves both here and elsewhere on a scale satisfactory to all parties.

Another commodity in which we are not self-sufficient is sugar. As in the case of rice the State is not self-sufficient in regard to sugar. The Travancore Sugars at Thuckalai produce only one-third of the requirements of the State. The projected Cane Sugar Factory at Tiruvalla has not yet taken shape. The result is that we have to depend on British Indian sugar to meet two-thirds of the demand of the State. The Government of India was approached on the matter and I am glad to say that they are responding in complete co-operation. They have allotted a monthly quota of 600 tons of sugar for Travancore. This Government have enacted a Sugar Control Order on the same lines as in British India and the schedule of ex-factory rates enacted in British India has been adopted here. Retail price is also controlled by this Government, and as will be seen from the recent notifications, the prices are practically on the same footing as in the adjoining British Indian territories.

The last commodity of which I shall speak is rubber. The value of rubber has gone up on account of the war situation. At one time we

were asked to restrict the output of rubber. For three or four years some people including my humble self have been thinking that the policy was unwise. It involved the result that Cochin, Mysore, Travancore and Ceylon should, for the sake of some persons in the East Indies who formed part of a world syndicate, keep down rubber production so that the prices may be kept up and some magnates may profit thereby. That was what happened during the past. But the thing has taken a different turn now. We have now been asked to increase production and we have been asked to plant rubber here, there and everywhere. A Committee has been appointed by Government, consisting of the Division Peishkar, Kottayam, Mr. Kurien John and Mr. S. Krishna Aiyar to deal with applications for fresh planting of rubber. It is understood that a large number of applications have been received already. Along with measures taken for new planting of rubber, control measures have also been introduced, regulating the use to which raw rubber may be put during the present emergency.

I am glad to say in this connection that speaking at a meeting of the Central Travancore Planters' Association, the Chairman has stated that many members of the Association have undertaken a food production programme on a very large scale in their estates. Now that is the next subject to which I shall devote some attention. I wish, with all the emphasis at my command, to appeal to the people of Travancore not to be content with the situation in which they have perforce to rely upon 280 or 300 thousand tons of rice from outside. They ought to be able at least to approach self-sufficiency in the matter of food supply and they can do so if they make an effort. I hope every member of the Legislature will peruse, reperuse a very remarkable book published at Chungking recounting the efforts made in this direction by China in these five years of an epic war. I do not propose to refer to the other reports. But China's problem was not unlike Travancore's. It had to import its rice. Notwithstanding the existence of a very fertile area and very big and silt-laden rivers, they adopted a system of extension of crop area. That we must also adopt. In other words there should not be a single vacant inch of land in the State which can produce some kind of food crop, whether rice or tapioca or vegetable or millets, or beans like soya. Government have recently passed orders that even the premises of Government buildings excepting the front portions which may provide feasting for the eyes, may be devoted for the cultivation of tapioca or other food crops. I trust that private owners of land will also do likewise, and that all places left fallow will be cultivated. Last year I promised to introduce legislation to penalise people who have lands which they leave uncultivated. This year my mind is travelling further afield. It seems to me that it would not be enough to penalise such land owners but Government will have to take control of all the lands that are left uncultivated and make the best use of them. Moreover, it is the height of folly for us to starve in the midst of potential plenty. We have plenty of rainfall and the soil is

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fertile. And with a little care and effort much can be made by way of food crops by the land owners. I am making an appeal specially to the planters. Last year I made an appeal to the planters at Peermade that they should plant potatoes and other vegetables wherever possible. But nothing was done in that matter. If they had done so they would have received large profits. For dehydrated potatoes the prices are soaring up. I am making an appeal to the planters to plant vegetables or other produces wherever tea is not planted. We want the planters to make profits and augment food production in the State. I hope they will heed to this request. Apart from the planters there are many others who could do likewise. In China they are not only extending the crop area but they are also meeting the problem of soil erosion. During the monsoons many hill slopes are washed down carrying away the rich silt and thus making them barren and unproductive. To meet this contingency, they resort to extensive terracing for cultivation purposes. Year after year I have said that we here also should adopt terrace cultivation to prevent soil erosion. But very little has been done in this direction. But what is to my mind most instructive is this passage :—

> "In order to promote rice production, the Ministry has adopted the following measures. First, the extension of improved varieties of rice. There are altogether 135 improved varieties of rice in the country. Best varieties produce 196 catties more per mow than the farmer's varieties. On the average, improved varieties produced 52 catties more per mow than the normal variety of rice. In 1941, cultivation of improved varieties was extended to 2,320,917 mow, yielding an increase of 1,141,715 piculs. Second, the substitution of the cultivation of ordinary rice for that of glutinous rice. An additional 4,254,539 mow of ordinary rice was planted in 1941 in ten provinces. The total rice crop secured amounted to 1,148,725 piculs. Third, the promotion of a second growth of rice, *i. e.*, the practice of using the original rice stalk to produce a second crop, the yield of which is 50-70 catties per mow. In the five provinces this process was extended to 264,236 mow in 1941, yielding an additional harvest of 136,005 piculs. Fourth, the interplanting of late maturing rice with early rice. Most of the rice regions in Free China are adapted to the growth of two crops of rice in one season, *i. e.*, to interplant late maturing rice with early rice. The gain is about 150-200 catties more than ordinary single cropping per mow."

All these measures are applicable in Travancore provided adequate scientifically organised thought is bestowed on the problem. Our food problem can be successfully solved not only by extending the area of cultivation but also by intensive cultivation.

I have spoken of tapioca. Not many days ago I received a visit from the representative of the biggest starch producing country in the world *viz.*, America. As you probably know, during the present war period it may be used and is used for food. But it is foolish to rely solely upon tapioca for food. It is very inferior food at the best. But to-day we cannot get any better and so we must do with it, but to-morrow that tapioca starch is necessary for every textile and paper mill in India. The Mills were getting starch from Japan, they were getting starch from many parts of the East Indies. To-day Travancore-tapioca starch is needed by the textile and other Mills of India but to-morrow it will be required by the textile mills of Europe. It is also needed for various other things including, among other things, face powder. Now the position is this. I think we must realise what a certain gentleman who came from America told me. He said he came to Travancore. He took the tapioca as he wanted some starch. There were agencies to produce the starch but the starch produced was not of the correct standard. It is necessary therefore to extend the cultivation of tapioca both from the point of view of food production and from the point of view of starch production. From the point of view of starch production, among other matters, it must be borne in mind by our people that any system of adulteration is short-sighted, and ruinous to the future interests of this State. Proper grading and proper regulation should be adopted by our co-operative societies who should recognise the urgency of the task before them, and set about doing what is necessary to promote this industry.

In pursuance of the general policy of co-ordination of effort between Travancore and Cochin, I am also glad to inform this Honourable House, that in the matter of coir a technical advisory committee has been formed in respect of coir production consisting of representatives both of Travancore and Cochin so that we may approach the Government of India Supply Department jointly instead of severally and competitively.

What I have to say of other Departments will necessarily be very brief. We expected a great deal from the development of the Pallivasal Scheme. The Aluminium Factory at Alwaye is expected to begin work some months later and already it is getting braced up for the effort. But on account of our import difficulties, on account of the serious shipping situation we have not been able to get priorities for these materials and appliances without which the extension of the Pallivasal Scheme is not possible. On that extension depends the extension of the aluminium production, on that extension depends the extension of the food production, the Punja cultivation, the bringing of electric power into cottage industries. The extension of electric energy is handicapped for the time being. We are therefore waiting for the period when we shall again go on with our normal programme but even with our restricted programme we have been able to be of some assistance to our neighbouring State and not very long ago the supply to Ernakulam was switched on from Pallivasal on the 15th of March. And notwithstanding

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our other handicaps, we are now extending our telephone system very rapidly. The hope of the Government of Travancore is that every village should have its telephone, its broadcast apparatus, and electric power intended to supplement the agricultural labour in the matter of aiding the cottage industries on a power basis. In that hope the Government of Travancore is working. Much depends upon the outcome of this great struggle. Much depends upon the establishment of equilibrium in this distracted world in order to carry out the programmes.

The Financial Secretary has already dealt with the question of the Transport Department, which, notwithstanding many difficulties, has done well. It is proposed to make it permanent and at the same time it is essential—I want to mention it—to raise the fares for many reasons. People talk of overcrowding. The amount of overcrowding in transport buses was bad enough at the best of times, but to-day it is terrific and it is likely to be a source of danger. Much of this travel has to be restricted. At this juncture I must say this—that people come up to me and ask me why is it that the price of kerosene is going up. The price of kerosene is going up because the war is approaching the Persian Gulf, because the war has engulfed the East Indies, because there is a war in the world. Last year I said that the time was fast coming when vegetable oils will have to be used, and self restraint has to be practised in the matter of kerosene. I make an appeal to the people of the State to lessen their kerosene consumption from now on and begin the use of other oils because it is just possible that none of us might have any kerosene three months or six months later. We must be prepared for that. There is no use of asking 'Why is the price of kerosene going up'? The price is going up because there is not enough kerosene to go round in the world. At present I see that police assistance is necessary in front of the kerosene shops because of people rushing to buy kerosene and the result is that there is likely to be some little trouble in some parts. May I appeal that the time has come when they, as the people of India generally, should realise that they must necessarily do without many of the things which they now consider as articles of luxury to which they are used or even as essential. It is the duty of the Government to obtain the necessary food grain for the people. Such duty in the matter of rice, tapioca and other matters, Government is trying to discharge with all the power at its control. Yarn for wearing, it is the duty of Government to provide for. But suppose some gentleman intent on festivities says "There is not enough petrol for me to conduct the marriage of my child" I have received a petition to that effect, and that is why I am saying it. A certain gentleman said "It is necessary to have fire-works, and so the rules against the display of fire-works at night must be dispensed with in my case. It is necessary that I must have more petrol. I used fifty cars for the last marriage. I must have

at least thirty cars this time, and each car must have twenty gallons of petrol. Otherwise how is this marriage to be conducted ?" That kind of demand cannot and will not be met. In the matter of kerosene there should be a self-denying ordinance imposed throughout the country from now on. Otherwise the difficulty will be on you before you are fully aware of it.

In this connection, I should like to mention that all the crude oil necessary for Punja cultivation has already been arranged for up to the full extent of the demand.

In regard to increase of bus fares I found a newspaper saying that the Transport Department has made some profit and that therefore there is no need to increase the fare. But the fare is being increased for two reasons. Replacements in transport vehicles are going to be impossible. If a transport vehicle breaks down, you cannot get spare parts anywhere in the world. There are certain varieties of steel which we cannot get in India and therefore unless we husband our resources, unless these transport vehicles are kept up at their maximum efficiency throughout the coming critical year or two, we shall not only have overcrowding, but we shall have no vehicles for the overcrowding. Therefore it is necessary, first of all, to restrict all travel. In the railways, there is now a programme of propaganda asking persons not to travel on railways. Before, the profits from the railways were a great feature in the budget of the Central Exchequer, but now the Central Government are anxious to propagate the idea that people should not travel too much because the railways suffer from the same difficulties which the Transport Department are suffering from. It is necessary for people to restrict their travel as much as possible and to realise that our difficulty arises not only from want of petrol but also from the difficulty of replacement of spare parts and the supply of essential material like high grade steel.

Mention has been made of a scheme of medical relief, of giving subsidies to non-official agencies for running dispensaries. I hope that will be welcome and will be extended widely as also the system of child welfare. We are steadily increasing the number of maternity and child welfare centres in the State.

I come lastly to the question of our new industrial ventures. At this stage, I must point out that the people of Travancore have been somewhat short-sighted in regard to their industrial ventures until now. That short-sightedness will not do in future. The Rubber Factory failed until an enterprising outsider came and took it up. The nett divisible profit was 5 lakhs for the last year after providing for depreciation and lease and rent reserves. The next year's profit is expected to be 7 lakhs. Fortunately, the Government is interested in it as partner and Government and the people of Travancore would get half share of that profit; but three-fourths, or seven-eighths, or even more should have been the profit of the people of Travancore. It is my hope that

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sound industrial ventures will be patronised by Travancoreans and that they will no longer confine their attention to ruinous kuris and ramshackle banks.

I am also glad to say that in the matter of China clay the war orders are mounting up and the Supply Department of the Government of India are very satisfied of the wares and we are expecting and we are already getting very large orders.

The Plywood industry is likely to develop and I am inspecting the Plywood Factory tomorrow; and they expect even in the first year a profit of Rs. 50,000. The Aluminium Factory is another factory by which the prosperity of the State will be increased to a large extent. I am also glad to mention that the sand of Shertala is supposed to be specially free from all impurities and that it is supposed to be peculiarly suitable for the manufacture of glass. Messrs. Ogale Bros. are starting a Glass Factory utilising this sand. They have told me they expect that the quality of the glass to be produced here would be better than that of most of the glass available in India. And if this Company, who are owners of two other glass factories say this, they ought to know what they are talking about. Honourable members will be also glad to learn that we have entered into an agreement for the starting of a Cement Factory. But this factory cannot be started at present on account of the pre-occupations due to war. Pending the starting of that factory, Government have entered into an arrangement with them for cement being sold to Government on the same basis as if the factory had been started, so that Government are getting cement much cheaper than most others elsewhere. Indicative of the many changes which war economy brings on the people, it will be remembered that cashewnut was an article of almost daily consumption in America. Suddenly it was resolved that the export of cashewnuts will be stopped. Thanks to the efforts of the Resident and the Government of India, that order was rescinded. But now America does not want cashewnut. It wants the oil from the cashew shell or husk. The cashew kernel is treated as a waste product and it is the oil derived from the outer portion of the cashew that is the main thing. I am only mentioning it for the purpose of showing that it behoves the people in the State to be alert and to realise what is happening so that they may take advantage of such situation and make preparations to equip themselves with factories and other appliances in order to meet possible demands.

I may also inform honourable members that, thanks to the University Laboratory's work, the quality of salt has greatly improved and, what is more important than that, there is demand for our surplus salt from other parts of India which are suffering from salt famine, as indeed honourable members may have learnt from certain recent resolutions of the Congress.

I do not propose now to deal with the other matters of detail. But I must say one or two words on the question of education. This Government has received, I do not know how many letters, and mass petitions for the purpose of increasing the percentage of passes in the E. S. L. C. Government was obliged to decline such requests. The object of Government in its educational policy, in its University policy, is, as I said in the Senate the other day, to do two things, firstly to give all possible facilities by way of higher education and research for those who are qualified to undertake higher work. This Government and, I trust, the people of the State will be behind the Government in that respect. Secondly the Government are not anxious that every parent should mortgage or sell all his or her property for the purpose of pushing an ill-equipped ill-adapted intellect, through the same course, E. S. L. C., Intermediate, B. A., so that at the end he might be a chronic applicant for the few available appointments. These applications result mainly in disappointments. It is necessary for Government to devise a scheme by which at early stages those who are fitted by nature and by environment for technical work, vocational work, should be started on those lines and should be given every encouragement. In this direction Government have still to do a great deal; but it can do its work only if high standards are maintained and if these underlying principles are borne in mind. And that is the work of the Travancore University.

I have done. The question of the life of the Legislative Council and the Assembly is engaging the attention of Government. There are many reasons why a hasty or abrupt decision cannot be made. But Government are fully aware of the arguments, pro and con, and, if and when conditions are propitious, they will not be behind-hand in ordering a fresh election but at present and until conditions settle down no definite decision can be taken or announced. I cannot say when it will be. It will depend upon the march of events.

Fellow members of the Legislature, I have taken many minutes of your valuable time. It has been my endeavour to try and paint a picture of the ideals as well as the pre-occupations of this Government, a Government at whose apex is His Highness the Maharaja, young in years and old in wisdom, as the Financial Secretary felicitously stated. It is his constant endeavour to bestow peace and happiness on his subjects. In giving his consistent support to his ministers and to his servants he is conscious all the time of the difficulties that his people are undergoing in this time of trial and distress. He himself has given evidence of his solicitude for the people by coming to their rescue on many occasions. His solicitude is manifested even in this budget when a dearness allowance of one rupee has been given to people drawing a salary of Rs. 15 and below, the total relief amounting to Rs. 2 lakhs. It may not be considered sufficient; but Government guided by such a Maharaja will not be slow to know when relief is necessary and will not be slow to afford that relief when it is found to be necessary. All

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that the Maharaja asks and can well demand of his people is that they should stand by him so that he may be the spear-point of Travancore's endeavours and Travancore's efforts to ameliorate the conditions of his people and fit them for their great destiny. May those efforts be co-ordinated and may they be accompanied by that courage, that fortitude without which we cannot face the perils that may be before us. May those endeavours also bring to us the fruition of those hopes and those aspirations which are dear to the heart of His Highness the Maharaja. I am leaving you for a short period but when I come back I hope that even in the intervening period—I venture to hope it will be short—there may be all-round progress made so that this State may be an object lesson in self-sufficiency in food and raiment; and also an object lesson in that spirit, that morale, that readiness to face all contingencies which is needed in India today more than ever before. The tradition of India during some centuries has been the tradition of peace, of abstract thought, of profound speculation. The tradition of India has been the tradition of China where the soldier was not given the pride of place in the hierarchy of society. Against that tradition is impinging another tradition of aggressiveness, of ruthlessness. In order to fit ourselves for the new tasks, new qualities have to be evoked, new endeavours started, new dreams and aspirations translated into action. Travancore is happy and blessed in having a Maharaja who is not only the embodiment of the spirit of the State, the highest and the greatest in the land, but whose heart beats in sympathy, unison and harmony with the hearts of his faithful subjects.

May his hopes for his people be realised! (*Cheers.*)

The joint sitting terminated at 3'55 P. M.

Trivandrum,

V. S. ARUMUKHOM PILLAY,
Secretary to the Sri Mulam Assembly.